Form ADV Part 2A Disclosure Brochure

Item 1 – Cover Page

265 Young Street
Fairhope, Alabama 36532

(251) 517-7198

www.aptuscapitaladvisors.com March 30, 2022

This Brochure provides information about the qualifications and business practices of Aptus Capital Advisors LLC. If you have any questions about the contents of this Brochure, please contact us at 1- 251-517-7198 or info@aptuscapitaladvisors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Aptus Capital Advisors LLC is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration does not imply a certain level of skill or training. Additional information about Aptus Capital Advisors, LLC also is available on the SEC's website at **www.adviserinfo.sec.gov** CRD# 167626.

Item 2 - Material Changes

This Brochure dated March 30, 2022, replaces our last amendment dated December 17, 2021.

The following information reflects only material updates made to our Brochure since our last amendment:

Item – 4 has been updated to reflect current assets under management. The current investment objectives were updated for the Aptus Collared Income Opportunity ETF (ACIO) and Opus Small Cap Value Plus ETF (OSCV).

Item 5 - has been updated to disclose the management fee for ACA retail client management service fees, , for sub-advisory services and the fees for Private Label ETF advising

Item 8 - has been updated to include a description of the analysis, investment strategy and risk of loss for the Aptus Drawdown Managed Equity ETF (ADME), the Aptus Collared Income Opportunity ETF (ACIO), the Aptus Defined Risk ETF (DRSK), Opus Small Cap Value Plus ETF (OSCV) and International Drawdown Managed Equity ETF (IDME). Additionally risks associated with the funds have be updated.

Item 12 – has been updated to list our current custodians.

Item 13 – has been updated to emphasize that clients should contact ACA when individual and financial circumstances change.

Item 15 – has been updated to list our current custodians.

Currently, our Brochure may be requested by contacting Brett Wickmann at (251) 517-7198 or bwickmann@aptuscapitaladvisors.com. Our Brochure is also available on our web site www.aptuscapitaladvisors.com, at no charge.

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Item 4 - Advisory Business

General Information
Aptus Capital Advisors LLC ("ACA") was formed in 2013 and provides innovative investment management services that include Behavioral Finance, Model Portfolios and Sub-Advisory Services, and Exchange Traded Funds.

John David Gardner is the majority owner of ACA. Please see ***Brochure Supplements***, at the end of this brochure for more information on the Managing Principals of ACA.

As of December 31, 2021, ACA managed approximately $2,681,894,273 on a discretionary basis, and $1,287,588,457 on a non-discretionary basis.

SERVICES PROVIDED

Portfolio Management
ACA provides portfolio management services employing its specialized investment strategies, either in isolation or in conjunction with asset allocation strategies. Exposure to these strategies is normally achieved through allocating client funds to Exchange Traded Funds managed by ACA (described below). In addition to collecting a management fee for traditional portfolio management services, ACA also collects a management fee as advisor to the Aptus ETFs.

Traditional Portfolio Management

ACA also offers *Traditional Portfolio Management* services. Such services are tailored to the overall investment needs of a client instead of a segment of the investment portfolio. Each portfolio is tailored to the client's individual goals, risk tolerance and investment horizon.

In some instances, ACA offers advisory and traditional portfolio management services through individuals associated with ACA as investment advisor representatives ("IARs"). IARs may also be securities licensed through a broker-dealer and may also be insurance licensed and offer insurance products and services. IAR's may have their own legal business names and logos that are used on client statements and firm marketing material. The Client should understand that these businesses are legal entities of the IAR and not ACA. ACA is responsible for the supervision of the IARs and advisory services are offered through ACA. Investment Advisor Representatives negotiate fees directly with clients, and fees are not to exceed the fees stated in the table below in ***Item 5 - Fees and Compensation.*** For more information about the IAR providing advisory services please refer to the Brochure Supplement for that IAR (also called Form ADV Part 2B).

ACA spends time with clients seeking *Traditional Portfolio Management* services, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, ACA generally develops:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile" or "Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan" or "Plan").

ACA gathers information and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by ACA based on updates to the client's financial or other circumstances. Accounts are generally driven by model portfolio allocations and reviewed quarterly to monitor alignment with the Investment Plan.

ACA's *Specialized Investment Strategies* and *Traditional Portfolio Management* services are provided on a discretionary basis. In some instances, the client will hold discretion over their account and execute trades on their own. As a discretionary investment adviser, ACA will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on ACA in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ, and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of ACA.

Financial Planning

In some cases, ACA will provide financial planning services to clients in conjunction with Portfolio Management services. ACA's financial planning services normally address areas such as general cash flow planning, retirement planning, and insurance analysis. The goal of this service is to assess the financial circumstances of the client in order to more effectively develop the client's investment plan.

Some financial planning services will be charged separately from Portfolio Management services on an hourly or fixed rate basis. These situations may involve specific consultation and/or written financial plans that are more detailed and complex than the planning services provided with Portfolio Management services. For clients that wish to engage ACA for financial planning/consulting services, the scope of services and rate will be specified on the Investment Advisory Agreement.

Retirement Plan Advisory Services

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. ACA will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The particular services provided will be detailed in the consulting agreement. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 ("ERISA") sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, ACA will be considered a fiduciary under ERISA. For example, ACA will act as an ERISA § 3(21) fiduciary when providing non-discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain ACA to act as an investment manager within the meaning of ERISA § 3(38), ACA will provide discretionary investment management services to the Plan. With respect to any account for which ACA meets the definition of a fiduciary under Department of Labor rules, ACA acknowledges that both ACA and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between ACA and Client.

Fiduciary Consulting Services

- *Investment Selection Services*
  ACA will provide Plan Fiduciaries with recommendations of investment options consistent with ERISA section 404(c). Plan Fiduciaries retain responsibility for the final determination of investment options and for compliance with ERISA section 404(c).

- *Non-Discretionary Investment Advice*
  ACA provides Plan Fiduciaries and Plan Participants general, non-discretionary investment advice regarding asset classes and investments.

- *Investment Monitoring*
  ACA will assist in monitoring the plan's investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and ACA will make recommendations to maintain or remove and replace investment options. The details of this aspect of service will be enumerated in the engagement agreement between the parties.

Fiduciary Management Services

- *Discretionary Management Services*
  When retained as an investment manager within the meaning of ERISA § 3(38), ACA provides continuous and ongoing supervision over the designated retirement plan assets. ACA will actively monitor the designated retirement plan assets and provide ongoing management of the assets. When applicable, ACA will have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with the Plan Fiduciaries. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

- *Discretionary Investment Selection Services*
  ACA will monitor the investment options of the Plan and add or remove investment options for the Plan without prior consultation with the Plan Fiduciaries. ACA will have discretionary authority to make and implement all decisions regarding the investment options that are available to Plan Participants.

- *Investment Management via Model Portfolios.*
  ACA will provide discretionary management of Model Portfolios among which the participants may choose to invest as Plan options. Plan Participants will also have the option of investing only in options that do not include Model Portfolios (i.e., the Plan Participants may elect to invest in one or more of the mutual funds or exchange traded fund options made available in the Plan and choose not to invest in the Model Portfolios at all).

Non-Fiduciary Services

- *Participant Education*
  ACA will provide education services to Plan Participants about general investment principles and the investment alternatives available under the Plan. Education presentations will not take into account the individual circumstances of each Plan Participant and individual recommendations will not be provided unless a Plan Participant separately engages ACA for such services. Plan Participants are responsible for implementing transactions in their own accounts.

- *Participant Enrollment*

  ACA will assist with group enrollment meetings designed to increase retirement Plan participation among employees and investment and financial understanding by the employees.

Aptus Exchange Traded Funds

Aptus Drawdown Managed Equity ETF (Ticker: ADME)

ACA serves as the investment advisor to the Aptus Drawdown Managed Equity ETF (the "Fund"). The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its objective principally by investing in a portfolio of U.S.-listed equity securities, while limiting downside risk by purchasing exchange-listed put options on one or more of such equity securities or on broad-based indexes or ETFs that track the performance of the U.S. equity market. Under normal circumstances, at least 80% of the Fund's net assets (plus borrowings for investment purposes) will be invested in equity securities. Please see the Fund's Prospectus and Statement of Additional Information ("SAI") for additional information about the investment strategy and disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

Aptus Collared Income Opportunity ETF (Ticker: ACIO)

ACA serves as the investment advisor to the Aptus Collared Income Opportunity ETF (the "Fund"). The Fund is an actively-managed exchange-traded fund ("ETF") that seeks to achieve its investment objective principally by investing in a portfolio of U.S.-listed equity securities of any market capitalization and buying put options or an options collar (i.e., a mix of written (sold) call options and long (bought) put options) on the same underlying equity securities, U.S. Equity ETF or on an index tracking a portfolio of large capitalization U.S. equity securities (a "U.S. Large Cap Index"). The U.S. Equity Index, U.S. equity ETF, and the underlying equity securities may be of any market capitalization. The equity securities and options held by the Fund must be listed on a U.S.-exchange, and the equity securities may include common stocks of U.S. companies, American Depositary Receipts ("ADRs") (i.e., receipts evidencing ownership of foreign equity securities), and real estate investment trusts ("REITs"). The Fund will typically limit investments in ADRs to approximately 20% of the Fund's net assets. Please see the Fund's Prospectus and Statement of Additional Information ("SAI") for information about the investment strategy and additional disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

Aptus Defined Risk ETF (Ticker: DRSK)

ACA serves as the investment advisor to the Aptus Defined Risk ETF (the "Fund"). The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its objective through a hybrid fixed income and equity strategy. The Fund typically invests approximately 75% to 95% of its assets to obtain exposure to investment-grade corporate bonds (the "Fixed Income Strategy") and invests the remainder of its assets to obtain exposure to U.S. stocks, while limiting downside risk (the "Equity Strategy"). Please see the Fund's Prospectus and Statement of Additional Information ("SAI") for additional information about the investment strategy and disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

Aptus International Drawdown Managed Equity ETF (Ticker: IDME)

ACA serves as the investment advisor to the Aptus International Drawdown Managed Equity ETF (the "FUND"). The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its objective principally by investing in a portfolio of other ETFs that invest in equity securities of non-U.S. (international) companies in developed and emerging markets throughout the world, while purchasing and/or writing (selling) exchange-listed call or put options on one or more broad-based indexes or ETFs that track the performance of equity markets outside of the United States to (i) limit downside ("drawdown") risk, (ii) create additional equity exposure, and/or (iii) generate premiums from writing call options on the Fund's equity investments. The Fund may also invest in depositary receipts representing individual equity securities of non-U.S. companies of any size, although such depositary receipts will generally comprise less than 20% of the Fund's net assets. The Fund may also purchase and sell options on such depositary receipts. Please see the Fund's Prospectus and Statement of Additional Information ("SAI") for additional information about the investment strategy and disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

Opus Small Cap Value Plus ETF (Ticker: OSCV)
ACA serves at the investment adviser to the Opus Small Cap Value Plus ETF (the "Fund"). The Fund is an actively managed exchange-traded fund ("ETF") that invests under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small-capitalization U.S. companies. The Fund defines a small capitalization company as an issuer whose market capitalization at the time of purchase is in the range of those found in the Russell 2000® Index. The Fund's equity securities primarily include common stocks, real estate investment trusts ("REITs"), and American Depositary Receipts ("ADRs") representing the stock of a foreign company. The Fund will generally limit its investments in ADRs to 20% of its total assets. The Fund may invest in securities offered in an initial public offering ("IPO") or in companies that have recently completed an IPO. The Fund will generally limit its investments in ADRs to 20% of its total assets. Please see the Fund's Prospectus and Statement of Additional Information ("SAI") for additional information about the investment strategy and disclosures relating to the Fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and condition applicable for investment.

Aptus Model Portfolio Service (The Impact Series)– Subscription Service
ACA provides model portfolios to other Registered Investment Advisers and Broker- Dealers. This model portfolio service involves ACA creating, managing, and maintaining investment models and updating Subscribers as adjustments occur within the models. Initial and ongoing delivery of the models to subscribers occurs through direct communication with advisers or through delivery of the models to model manager platforms ("Third Party Platforms").

If Subscribers choose to follow the Impact Series Models, they are responsible to trade client accounts to bring the portfolios in line with The Impact Series Model Portfolios. Subscribers to the Models are responsible for handling all matters pertaining to their client accounts, including suitability, trading, reporting, and custody. The Impact Series Models are not customized to any individual client of the subscriber and Aptus has no advisory relationship with any "end-client" under this arrangement.

Sub-Advisory Services
ACA acts as a sub-advisor to Advisors that select ACA for its asset management and back office services. In these instances, an Advisor selects ACA to provide these services for its clients, and for this service the Advisor either shares a portion of their stated fees with ACA, or the Advisor discloses a separate fee for ACA. The allocation of a total stated advisory fee, or the separate fee charged by ACA, is disclosed in the Advisor's brochure. The compensation for ACA depends on the negotiated agreement between the Advisor and ACA. ACA's fee may be lower when acting as a sub-advisor for an Advisor than if a client worked directly with ACA because the services ACA provides as a sub- advisor are limited in scope and do not include the entire realm of advisory services as provided to direct clients of ACA.

Private Label ETF Advisor
ACA provides private-label ETF services and has obtained active and passive exemptive relief from the Securities and Exchange Commission under the Investment Company Act of 1940 to assist investment managers and independent advisors in bringing investment strategies to market as Exchange Traded Funds. In these arrangements ACA serves as investment adviser to the Exchange Traded Fund and another firm serves as subadvisor to execute the investment strategy. Compensation for ACA for such services may come from a flat fee, a shared percentage of the stated management fee of the Exchange Traded Fund, or a combination of the two.

Item 5 - Fees and Compensation

General Fee Information
Fees paid to ACA are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third- party consultants. Please see ***Item 12 – Brokerage Practices*** for additional information. Fees paid to ACA are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, ACA and others to fully understand the total amount of fees paid by the client for investment and financial- related services.

The client may terminate the Investment Advisory Agreement within five (5) days of signing, without penalty. Thereafter, either ACA or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to ACA from the client will be invoiced or deducted from the client's account prior to termination.

ACA initiates fees at 50 basis points (0.50%) of assets under management for portfolio management services for individual account investors. However, ACA may, at its discretion,make exceptions to its fee arrangements or negotiate fee arrangements where ACA deems it appropriate under the circumstances.

Portfolio Management Fees
ACA, when doing business as Guardian Wealth Partners, LLC and through its investment adviser representatives, provides portfolio management based on the following fee schedule. The standard, maximum annual fee schedule, based on a percentage of assets under management, is as follows:

Assets Under Management	Annual Advisory Fee
$0 - $500,000	1.00%
$500,001 - $1,500,000	0.75%
$1,500,001 - $2,500,000	0.60%
$2,500,001 - $5,000,000	0.50%
$5,000,001 - $10,000,000	0.40%
$10,000,000 and above	0.30%

The Management Fee of Client assets shall be calculated and billed at the stated rates monthly or quarterly either in advance or arrears as indicated in Schedule A to the Investment Management Agreement, based upon the total market value of the assets as to which investment advisory services are being rendered on the Effective Date of the Investment Management Agreement and thereafter on the beginning or last trading day of each month or quarter.

With client authorization and unless other arrangements are made, fees are normally debited directly from client account(s).

<u>Aptus Exchange Traded Fund Fees</u>
For serving as the investment adviser to the Aptus Funds, each Fund will pay ACA a management fee at an annual rate stated in the table below, based on the daily average net asset value of the portfolio. Fund investors will also be subject to additional fees and expenses which are more fully explained in respective Fund prospectuses.

Name	Ticker	Management Fee paid to Aptus
The Aptus Drawdown Managed Equity ETF	ADME	0.79%
The Aptus Collared Income Opportunity ETF	ACIO	0.79%
The Aptus Defined Risk ETF	DRSK	0.69%
The Opus Small Cap Value Plus ETF	OSCV	0.79%
The Aptus International Drawdown Managed Equity ETF	IDME	0.59%

<u>Client Investments - Aptus ETFs</u>
Under normal circumstances and in accordance with the client's established Investment Plan and risk tolerance ACA will recommend investments that include Aptus ETFs. Clients investing in the Funds will be subject to both the Fund's management fees (which are payable to ACA as adviser to the Funds and set forth above) and ACA's portfolio management fees. The receipt of additional compensation from the Funds provides an incentive for ACA to invest client assets in the Funds. This potential conflict of interest is disclosed to clients in this Form ADV and also in the client Investment Management Agreement signed by the client at the outset of a working relationship. The fees charged for portfolio management services, together with fees paid to ACA indirectly through the Funds, may be higher than the fees charged by other investment advisers for similar investment advisory services. Clients may also independently invest in Fund shares through other financial services firms/broker- dealers.

<u>ERISA Accounts:</u>
In order to comply with ERISA Prohibited Transaction Exemption 77-4, ACA waives that portion of the fees otherwise payable to ACA as a portfolio management fee, to the extent that assets are invested in the Fund. ACA is paid an investment advisory fee by the Fund, which includes advisory fees based on assets of retirement participants invested in the Fund. As a result, retirement participants invested in the Fund pay only one advisory fee, based on the underlying investment advisory fees paid by the Fund.

<u>Aptus Model Portfolio Service – Subscription Service:</u>
Aptus does not charge an overlay fee for use of the Aptus Model Portfolio Service (The Impact Series) when accessed through a 3rd party platform (i.e. Riskalyze, Envestment, TDA). While no overlay fee is charged for the service, Aptus ETFs are included in the model portfolios. In this case, Aptus will receive the normal management fee for those assets invested in the Funds as described in the Fund's prospectus.

Subscribers accessing The Impact Series models through a Third Party Platform may be charged a fee from the platform provider that is separate and distinct from any management fee collected by Aptus for investments in Aptus ETFs.

Financial Planning/Consulting Services

Hourly fees range from $150-$350 per hour, and fixed fee services range from $1,000 to $5,000. These are negotiated fees based on the scope and complexity of the services provided. Clients may be invoiced directly, monthly in arrears for financial planning and/or consulting services charged on an hourly or flat fee basis.

Sub-Advisory Services:

For Advisors that utilize ACA sub-advisory services (whereby ACA acts as a sub-advisor), the advisory fee that is charged by ACA does not include transaction fees charged by the custodian, or charges by funds, including the Aptus Funds. All of ACA's sub-advisory fees are negotiated depending on the size and complexity of the sub-advisory services requested. ACA initiates sub-advisory fees at a flat rate of $100,000 or a management fee at an annual rate of 0.01% - 0.15% which is again, determined on the complexity of the services requested. Additionally, when circumstances warrant, ACA may also waive their sub-advisory fees entirely.

Private Label ETF Advisor

Aptus currently serves as investment adviser for a private Label ETF the McElhenny Sheffield Managed Risk ETF ("MSMR" or the "Fund"). The Fund pays ACA and McElhenny Sheffield Managed Risk ETF a combined management fee at an annual rate of 0.84%, of which ACA receives 0.10% for the first 6 months, then 0.15% for the next 6 months, and 0.20% for periods after the first year, based on the daily average net asset value of the portfolio. Fund investors will also be subject to additional fees and expenses which are more fully explained in respective Fund prospectuses.

Item 6 - Performance-Based Fees and Side-By-Side Management

ACA does not offer performance based fee arrangements.

Item 7 - Types of Clients

ACA serves individuals, small businesses, trusts, estates, Registered Investment Companies, and other Registered Investment Professionals. The minimum portfolio size is $50,000 under certain circumstances and in its sole discretion, ACA may negotiate such minimum.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

ACA primarily employs equities and ETFs to implement its strategies. Bonds, options, and mutual funds may also be used where ACA feels appropriate.

ETFs and mutual funds are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

In selecting individual stocks, mutual funds, ETFS, and other securities for an account, ACA generally applies a combination of technical and fundamental analysis including, without limitation, the following factors:

- Financial strength ratios;
- Momentum Characteristics;
- Absolute Price Levels;

- Price-to-earnings ratios;
- Growth Metrics
- Dividend yields;
- Growth rate-to-price earnings ratios; and
- Price trends
- Value Characteristics
- Broad Market Valuations

Both long-term and short-term investments in various combinations over time may be employed for a given client, depending upon the client's individual circumstances and/or market conditions.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short- term price fluctuations.

Investment Philosophy and Approach

ACA's primary objective is to participate in the market's upside while attempting to avoid major market drawdowns. Devastating drawdowns in securities markets happen more often than anyone would like. The emotional effect of staying invested during those periods can be intolerable for some investors and may lead to irrational decisions driven by fear. For that reason, ACA incorporates an approach using technical and fundamental indicators in an attempt to avoid severe market pull backs and reduce human error in portfolios. Potentially avoiding these situations is desirable and why ACA developed its investment methodology.

Investment Strategies

ACA will employ its Aptus Collared Income Opportunity, Aptus Drawdown Managed Equity, Aptus Defined Risk, Aptus International Drawdown Managed Equity and Opus Small Cap Value ETF for the majority of client portfolios (through the use of the respective ETF described in ***Item 4 - Advisory Business***. The ETFs are used as the core upon which to build asset allocationstrategies depending on individual client needs, risk tolerance, and investment horizon.

Collared Income Opportunity Strategy

The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its investment objective principally by investing in a portfolio of U.S.-listed equity securities of any market capitalization and buying put options or an options collar (i.e., a mix of written (sold) call options and long (bought) put options) on the same underlying equity securities, a U.S. equity ETF, or on an index tracking a portfolio of U.S. equity securities (a "U.S. Equity Index"). The U.S. Equity Index, U.S. equity ETF, and the underlying equity securities may be of any market capitalization. The equity securities and options held by the Fund must be listed on a U.S.-exchange, and the equity securities may include common stocks of U.S. companies, American Depositary Receipts ("ADRs") (i.e., receipts evidencing ownership of foreign equity securities), and real estate investment trusts ("REITs"). The Fund will typically limit investments in ADRs to approximately 20% of the Fund's net assets.

Aptus Capital Advisors, LLC, the Fund's investment adviser ("Aptus" or the "Adviser"), selects the Fund's equity securities based on the Adviser's assessment of the likelihood that the dividends paid by the issuer will increase or remain stable and based on the liquidity of the options available for such security. The Adviser considers factors primarily related to yield, earnings growth, revenue growth, and distribution history in assessing the likelihood that the dividends paid by an issuer will increase or remain stable. No more than 30%

of the Fund's net assets will typically be invested in companies in a single sector. The Adviser may replace a security if it believes another security offers a better value proposition, with a bias for low portfolio turnover.

The Fund's options collar strategy typically consists of two components: (i) selling covered call options on up to 100% of the equity securities held by the Fund to generate premium from such options, while (ii) simultaneously reinvesting a portion of such premium to buy put options on the same underlying equity securities, a U.S. equity ETF, or the U.S. Equity Index to "hedge" or mitigate the downside risk associated with owning equity securities. The Fund seeks to generate income from the combination of dividends received from the equity securities held by the Fund and premiums received from the sale of options. Additionally, the Fund may purchase put options or utilize a combination of purchased and written (sold) put options (known as a "spread") on one or more equity securities, a U.S. equity ETF, or a U.S. Equity Index to "hedge" or mitigate the downside risk associated with owning equity securities.

The Fund may write call options on up to 100% of each equity position held in the portfolio and will use a portion of the premium received from writing such call options to purchase put options. Call options written by the Fund will typically have a strike price that is higher than the current price of the reference asset, and put options purchased by the Fund will typically have a strike price that is lower (in some cases, significantly lower) than the current price of the reference asset. Options selected for the Fund will typically expire one week to nine months from their purchase date and will be rolled periodically (e.g., monthly) to continue generating income or to reflect the Adviser's revised outlook on the underlying portfolio security. When an option is rolled, the Adviser simultaneously closes one option contract and opens another. The new contract opened can have a further-dated expiration (i.e., the option would be rolled "out"), higher strike price (i.e., rolled "up"), lower strike price (i.e., rolled "down"), or a combination of both a different expiration and strike. In addition to the options strategies discussed above, the Fund may utilize a "bull call spread" options strategy.

The Fund's bull call spread strategy entails (i) the purchase of at-the-money call options (i.e., call options with a strike price roughly equal to the current price of the underlying asset) on an index or ETF tracking an index representing the U.S. equity market and (ii) writing (selling) out-of-the-money call options (i.e., call options with a strike price higher than the current price of the underlying asset) on the same index or ETF. The bull call spread strategy is intended to profit from moderate increases in the value of the reference asset (up to the strike price of the written call options). The Fund may also purchase call options on the securities held by the Fund to enable the Fund to further benefit from an increase in the value of such securities.

In addition, the Adviser may utilize a combination of purchased and written (sold) put or call options on the Cboe Volatility Index® (the "VIX® Index"). The VIX Index reflects a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index call and put options. The Adviser generally expects to invest less than 1% of the Fund's net assets in VIX Index call and put options at the time of investment.

The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund.

Drawdown Managed Equity Strategy
The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its objective principally by investing in a portfolio of U.S.-listed equity securities, while limiting downside risk by purchasing exchange-listed put options on one or more of such equity securities or on broad-based indexes or ETFs that track the performance of the U.S. equity market. Under normal circumstances, at least 80% of the Fund's net assets (plus borrowings for investment purposes) will be invested in equity securities.

The equity component of the Fund's portfolio is comprised of large, mid, or small-capitalization U.S.-listed common stocks, real estate investment trusts ("REITs"), and American Depository Receipts ("ADRs"). Aptus Capital Advisors, LLC, the Fund's investment adviser ("Aptus" or the "Adviser"), generally selects the equity securities for the Fund based on an analysis of each company's fundamental and momentum characteristics to try to identify attractive opportunities for growth. The Adviser's proprietary analysis is built from a "yield plus growth" framework, which takes into account fundamental characteristics such as yield, growth, and valuation, along with momentum, to identify attractive securities. Typically, such securities will have either an attractive combination of yield plus growth relative to the overall market and/or strong momentum relative to the overall market.

The Adviser seeks to limit the Fund's exposure to equity market declines primarily by purchasing exchange-listed put options on individual equity securities or on one or more equity indexes or ETFs (each, a "reference asset") that track a portfolio of U.S. equity securities ("Equity Puts"). A put option gives the purchaser the right to sell shares of the reference asset at a specified price ("strike price") prior to a specified date ("expiration date"). The purchaser pays a cost (premium) to purchase the put option. In the event the reference asset declines in value below the strike price and the holder exercises its put option, the holder will be entitled to receive the difference between the value of the reference asset and the strike price (which gain is offset by the premium originally paid by the holder), and in the event the reference asset closes above the strike price as of the expiration date, the put option may end up worthless and the holder's loss is limited to the amount of premium it paid. The Adviser may purchase Equity Puts that are at-the-money, near-the-money, or out-of-the-money (also known as a "tail hedge"), and the Adviser will actively manage the Fund's Equity Puts as markets move or events occur (e.g., earnings announcements) to roll forward expiration dates or to increase or decrease market exposure. The Adviser generally expects to invest less than 5% of the Fund's net assets in Equity Puts at the time of investment.

In addition to purchasing Equity Puts, the Adviser may write (sell) Equity Puts. A written (sold) put option gives the seller the obligation to buy shares of the reference asset at a strike price until the expiration date. The writer (seller) of the put option receives an amount (premium) for writing (selling) the option. In the event the reference asset declines in value below the strike price and the holder exercises the put option, the writer (seller) of the put option will have to pay the difference between the value of the reference asset and the strike price or deliver the reference asset (which loss is offset by the premium initially received), and in the event the reference asset appreciates in value, the put option may end up worthless and the writer (seller) of the put option retains the premium.

The Adviser also may purchase or write (sell) exchange-listed call options on individual equity securities or on one or more equity indexes or ETFs (each, a "reference asset") that track a portfolio of U.S. equity securities ("Equity Calls"). A call option gives the purchaser the right to purchase shares of the reference asset at a specified strike price prior to a specified expiration date. The purchaser pays a cost (premium) to purchase the call option. In the event the reference asset appreciates in value, the value of the call option will generally increase, and in the event the reference asset declines in value, the call option may end up worthless and the premium may be lost. A written (sold) call option gives the seller the obligation to sell shares of the reference asset at a strike price until the expiration date. The writer (seller) of the call option receives an amount (premium) for writing (selling) the option. In the event the reference asset appreciates above the strike price and the holder exercises the call option, the writer (seller) of the call option will have to pay the difference between the value of the reference asset and the strike price or deliver the reference asset (which loss is offset by the premium initially received), and in the event the reference asset declines in value, the call option may end up worthless and the writer (seller) of the call option retains the premium.

In addition to or in lieu of such Equity Puts or Equity Calls, the Adviser may utilize a combination of purchased and written (sold) put or call options (known as a "spread") on individual equity securities, one or more equity indexes or ETFs, or the Cboe Volatility Index® (the "VIX® Index"). The VIX Index reflects a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index call and put options. The Adviser generally expects to invest less than 1% of the Fund's net assets in VIX Index call options at the time of investment.

Defined Risk Strategy

The Fund's Equity Strategy seeks exposure to small-, mid-, and large-capitalization U.S. stocks by purchasing exchange-listed call options on individual stocks or depositary receipts (the "Underlying Individual Equities"), on one or more equity indexes, on one or more other ETFs that principally invest in U.S. equity securities (the "Underlying Equity ETFs"), or on one or more other U.S. fixed-income ETFs that provide exposure to either high yield or investment grade bonds (the "Underlying Bond ETFs") (each, a "reference asset"). A call option gives the purchaser the right to purchase shares of the underlying security at a specified price ("strike price") prior to a specified date ("expiration date"). The purchaser pays a cost (premium) to purchase the call option. In the event the underlying security appreciates in value, the value of the call option will generally increase, and in the event the underlying security declines in value, the call option may end up worthless and the premium may be lost.

Aptus Capital Advisors, LLC, the Fund's investment adviser ("Aptus" or the "Adviser"), selects the Underlying Individual Equities based primarily on the Adviser's proprietary analysis built from a "yield plus growth" framework, which takes into account fundamental characteristics such as yield, growth, valuation, and momentum. Stocks selected as Underlying Individual Equities by the Adviser must also have call options available for purchase that meet the Fund's minimum liquidity threshold for investibility. The Adviser seeks to select Underlying Individual Equities to diversify exposure across a variety of industries and to maximize the Fund's equity exposure given the amount allocated to the applicable options, as described below. Underlying Equity ETFs, Underlying Bond ETFs, or equity indexes may be selected in lieu of or in addition to Underlying Individual Equities to adjust the balance of the Fund's exposure across industries or to maintain the Fund's equity exposure when the Adviser believes they present a better risk profile than Underlying Individual Equities.

The Fund may utilize a combination of purchased and written (sold) call options (known as a "spread"). A written (sold) call option gives the seller the obligation to sell shares of the reference asset at the strike price until the expiration date. The writer (seller) of the call option receives an amount (premium) for writing (selling) the option. In the event the reference asset appreciates above the strike price and the holder exercises the call option, the writer (seller) of the call option will have to pay the difference between the value of the reference asset and the strike price or deliver the reference asset (which loss is offset by the premium initially received), and in the event the reference asset declines in value, the call option may end up worthless and the writer (seller) of the call option retains the premium.

Call options purchased by the Fund typically have a time-to-expiration of one week to six months at the time of purchase and a strike price at or near the current market price of the applicable reference asset. The Fund will generally turn over its options holdings to rebalance its Equity Strategy investments on a monthly basis, at which time the Fund allocates approximately 0.25% to 1.00% of its net assets to options on each of the Underlying Individual Equities and may allocate up to approximately 5.00% to options on each of the equity indexes, Underlying Equity ETFs, or Underlying Bond ETFs selected. Each time the Fund rebalances its Equity Strategy, the Fund will typically sell the options it holds and purchase new ones as described above. To the extent the Fund sells options tied to one individual stock or ETF and purchases new options tied to the same individual stock or ETF, the rebalance will generally result in the Fund owning options with a later expiration date than the previous set of options. The Adviser will actively manage the Fund's options as markets move or events occur (e.g., earnings announcements) to roll forward expiration dates or to increase or decrease market exposure to attempt to reduce the potential volatility inherent in options where the price of the reference asset is significantly higher or lower than the strike price.

Additionally, the Adviser seeks to limit the Fund's exposure to equity market declines by utilizing a combination of purchased and written (sold) exchange-listed put options (known as a "spread") on Underlying Individual Equities, on one or more equity indexes, on one or more Underlying Equity ETFs, or on one or more Underlying Bond ETFs. A purchased put option gives the purchaser the right to sell shares of the underlying security at a strike price prior to its expiration date. The purchaser of the put option pays a cost (premium) to purchase the put option. In the event the underlying security depreciates in value, the value of the put option will generally increase, and in the event the underlying security appreciates in value, the put option may end up worthless and the premium may be lost.

Put options purchased by the Fund typically have a time-to-expiration of one week to six months at the time of purchase and a strike price at or near the current market price of the applicable reference asset. Generally, each time the Fund rebalances its Equity Strategy, the Fund allocates approximately 0.25% to 1.50% of its net assets to put options and will sell the options it holds and purchase new ones as described above.

In addition, the Adviser may utilize a combination of purchased and written (sold) put or call options on the Cboe Volatility Index® (the "VIX® Index"). The VIX Index reflects a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index call and put options. The Adviser generally expects to invest less than 1% of the Fund's net assets in VIX Index call and put options at the time of investment.

Because the premiums for call and put options purchased by the Fund will typically be a fraction of the value of the underlying reference assets, the options enable the Fund to gain greater exposure to the underlying reference assets than the amount invested in such options. Consequently, the Fund seeks to have greater participation in the appreciation (for call options) or depreciation (for put options) of the applicable underlying reference assets than it would have by investing the same amounts directly in such underlying reference assets, while limiting the maximum loss from such options to the premiums paid.

International Drawdown Managed Equity Strategy

The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its objective principally by investing in a portfolio of other ETFs that invest in equity securities of non-U.S. (international) companies in developed and emerging markets throughout the world, while purchasing and/or writing (selling) exchange-listed call or put options on one or more broad-based indexes or ETFs that track the performance of equity markets outside of the United States to (i) limit downside ("drawdown") risk, (ii) create additional equity exposure, and/or (iii) generate premiums from writing call options on the Fund's equity investments.

The Fund may also invest in depositary receipts representing individual equity securities of non-U.S. companies of any size, although such depositary receipts will generally comprise less than 20% of the Fund's net assets. The Fund may also purchase and sell options on such depositary receipts.

Equity Strategy

Under normal circumstances, at least 80% of the Fund's net assets (plus borrowings for investment purposes) will be invested in equity securities. For purposes of such policy, the Fund considers equity securities to include common stocks, depositary receipts, options whose reference asset is an equity security, equity securities index, or equity ETF, and ETFs that, under normal circumstances, invest at least 80% of their net assets in equity securities.

Aptus Capital Advisors, LLC, the Fund's investment adviser ("Aptus" or the "Adviser"), generally expects to allocate approximately 50–90% of the Fund's exposure to developed markets and approximately 10–50% to emerging markets. The Adviser determines this allocation, as well as further allocations to particular countries or regions, based on a "yield plus growth" framework, which takes into account fundamental characteristics such as yield, growth, and valuation, along with momentum, to identify attractive markets, regions, countries, or individual securities. Typically, such investments will have either an attractive combination of yield plus growth relative to the overall market and/or strong momentum relative to the overall market.

Aptus selects the ETFs in which the Fund invests based on a variety of characteristics, including the particular geographic exposure provided by the portfolio of securities held by the ETF, the cost to invest in and trade the ETF's shares, and the size of the ETF, among others. Aptus selects the individual depositary receipts in which the Fund invests based on a company's fundamental and momentum characteristics to try to identify attractive opportunities for growth.

Options Strategy
The Adviser seeks to limit the Fund's exposure to equity market declines primarily by purchasing exchange-listed put options, or utilizing a combination of purchased and written (sold) put options (known as a "spread"), on one or more equity indexes or ETFs (each, a "reference asset") that track a portfolio of non-U.S. equity securities (together, "Equity Puts"). The reference asset for an option will generally reflect the overall equity market for emerging markets or developed markets outside the United States, the equity market of a particular region or country (other than the United States), or a particular depositary receipt held by the Fund.

The expiration date for the Fund's Equity Puts will typically be between one and six months from the time of purchase, although such periods to expiration may be shorter or longer. Additionally, the strike price for the Fund's Equity Puts will typically be within 10% of the price of the reference asset at the time of purchase ("near-the-money"), although the Adviser may utilize strike prices that are out-of-the-money (also known as a "tail hedge"). The Adviser will actively manage the Fund's Equity Puts as markets move or events occur by rolling forward expiration dates or increasing or decreasing the Fund's investment in Equity Puts.

In addition to purchasing Equity Puts, the Adviser may write (sell) Equity Puts. A written (sold) put option obligates the seller to buy shares of the reference asset from the holder at a strike price until the expiration date. The writer (seller) of the put option receives an amount (premium) for writing (selling) the option. In the event the reference asset declines in value below the strike price and the holder exercises the put option, the writer (seller) of the put option will have to pay the difference between the strike price and the value of the reference asset or deliver the reference asset (which loss is offset by the premium initially received) In the event the reference asset appreciates in value, the put option may end up worthless to the holder and the writer (seller) of the put option retains the premium. The Adviser generally expects to invest less than 5% of the Fund's net assets in Equity Puts at the time of investment.

The Adviser may also purchase call options or utilize call option spreads on the Cboe Volatility Index® (the "VIX Index"). The VIX Index reflects a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time prices of S&P 500® Index call and put options. A call option gives the purchaser the right to purchase shares of the reference asset at a specified strike price prior to a specified expiration date. The purchaser pays a cost (premium) to purchase the call option. In the event the reference asset appreciates in value, the value of the call option will generally increase, and in the event the reference asset declines in value, the call option may end up worthless to the holder and the premium may be lost. If the Fund utilizes a call option spread on the VIX Index, the Fund will purchase and write call options on the VIX Index. In the event the reference asset appreciates in value above the strike price and the holder exercises the call option, the writer (seller) of the call option will have to pay the difference between the strike price and the value of the reference asset or deliver the reference asset (which loss is offset by the premium initially received). In the event the reference asset declines in value, the call option may end up worthless to the holder and the writer (seller) of the call option retains the premium. The Adviser generally expects to invest less than 1% of the Fund's net assets in VIX Index call options at the time of investment.

In addition, the Adviser may purchase call options on one or more equity indexes or ETFs or on a particular depositary receipt held by the Fund to opportunistically add additional exposure to such securities. The Adviser may also write (sell) call options on up to 100% of the equity securities owned by the Fund to generate additional income for the Fund in the form of premiums.

The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. Additionally, the Adviser may actively and frequently purchase and sell securities for the Fund.

Small Cap Value Strategy
The Fund is an actively managed exchange-traded fund ("ETF") that invests under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small-capitalization U.S. companies. The Fund defines a small capitalization company as an issuer whose market capitalization at the time of purchase is in the range of those found in the Russell 2000® Index. The Fund's equity securities primarily include common stocks, real estate investment trusts ("REITs"), and American Depositary Receipts ("ADRs") representing the stock of a foreign company. The Fund will generally limit its investments in ADRs to 20% of its total assets. The Fund may invest in securities offered in an initial public offering ("IPO") or in companies that have recently completed an IPO.

Aptus Capital Advisors, LLC, the Fund's investment adviser ("Aptus" or the "Adviser"), selects stocks across a variety of sectors and industries for the Fund by combining factor-based analysis with rigorous fundamental research to identify high-quality, growing companies that the Adviser believes are undervalued. The Adviser focuses on three core themes to identify companies for the Fund:

Higher Quality	Companies with sound business models, higher returns on equity, strong balance sheets, and shareholder-friendly management.
Higher Growth	Companies that are well-positioned to grow sales, earnings, cash flows, and dividends.
Lower Valuation	Companies whose valuations reflect lower price-to-earnings and higher yields than their peers.

The Adviser generally sells a stock for the Fund when the company is no longer believed to be high quality, when its anticipated growth rate has significantly declined, when it is no longer considered undervalued, or when it is no longer considered a small capitalization company after a significant period of time (e.g., more than one year).

<u>Risk of Loss</u>
All investment portfolios are subject to risks that clients should be prepared to bear. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Depositary Receipt Risk. Depositary Receipts involve risks similar to those associated with investments in foreign securities, such as changes in political or economic conditions of other countries and changes in the exchange rates of foreign currencies. Depositary Receipts listed on U.S. exchanges are issued by banks or trust companies and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares ("Underlying Shares"). When the Fund invests in Depositary Receipts as a substitute for an investment directly in the Underlying Shares, the Fund is exposed to the risk that the Depositary Receipts may not provide a return that corresponds precisely with that of the Underlying Shares.

Derivative Securities Risk. The Fund invests in options that derive their performance from the performance of an underlying reference asset. Derivatives, such as the options in which the Fund invests, can be volatile and involve various types and degrees of risks, depending upon the characteristics of a particular derivative. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in a derivative could have a substantial impact on the performance of the Fund. The Fund could experience a loss if its derivatives do not perform as anticipated, the derivatives are not correlated with the performance of their reference asset, or if the Fund is unable to purchase or liquidate a position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.

Equity Market Risk. The equity securities held in the Fund's portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the Fund invests. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from issuers. In addition, local, regional or global events such as war, acts of terrorism, spread of infectious diseases or other public health issues, recessions, or other events could have a significant negative impact on the Fund and its investments. For example, the global pandemic caused by COVID-19, a novel coronavirus, and the aggressive responses taken by many governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines or similar restrictions, has had negative impacts, and in many cases severe impacts, on markets worldwide. The COVID-19 pandemic has caused prolonged disruptions to the normal business operations of companies around the world and the impact of such disruptions is hard to predict. Such events may affect certain geographic regions, countries, sectors and industries more significantly than others. Such events could adversely affect the prices and liquidity of the Fund's portfolio securities or other instruments and could result in disruptions in the trading markets

ETF Risks. The Fund is an ETF, and, as a result of an ETF's structure, it is exposed to the following risks:

- *Authorized Participants, Market Makers, and Liquidity Providers Concentration Risk.* The Fund has a limited number of financial institutions that may act as Authorized Participants ("APs"). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

- *Costs of Buying or Selling Shares.* Due to the costs of buying or selling Shares, including brokerage commissions imposed by brokers and bid-ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.

- *Shares May Trade at Prices Other Than NAV.* As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate the Fund's NAV, there may be times when the market price of Shares is more than the

NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.

- *Trading.* Although Shares are listed for trading on Cboe BZX Exchange, Inc. (the "Exchange") and may be traded on U.S. exchanges other than the Exchange, there can be no assurance that Shares will trade with any volume, or at all, on any stock exchange. In stressed market conditions, the liquidity of Shares may begin to mirror the liquidity of the Fund's underlying portfolio holdings, which can be significantly less liquid than Shares, and this could lead to differences between the market price of the Shares and the underlying value of those Shares.

Foreign Investment Risk. Because of the Fund's investment in ADRs, changes in foreign economies and political climates are more likely to affect the Fund than a fund that invests exclusively in U.S. companies. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad) or changed circumstances in dealings between nations.

High Portfolio Turnover Risk. The Fund may frequently buy and sell portfolio securities and other assets to rebalance the Fund's exposure to specific securities. Higher portfolio turnover may result in the Fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than you expect.

Management Risk. The Fund is actively managed and may not meet its investment objective based on the Adviser's success or failure to implement investment strategies for the Fund.

Market Capitalization Risk.

- *Large-Capitalization Investing.* The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. Large-capitalization companies may also be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes.

- *Mid-Capitalization Investing.* The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies, but they may also be subject to slower growth than small-capitalization companies during times of economic expansion. The securities of mid capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large capitalization stocks or the stock market as a whole, but they may also be nimbler and more responsive to new challenges than large-capitalization companies. Some mid-capitalization companies have limited product lines, markets, financial resources, and management personnel and tend to concentrate on fewer geographical markets relative to large-capitalization companies.

- *Small-Capitalization Investing.* The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of larger-capitalization companies. The securities of 420 small-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization stocks or the stock market as a whole. Some small capitalization companies have limited product lines, markets, and financial and managerial resources and tend to concentrate on fewer geographical markets relative to larger capitalization companies. There is typically less publicly available information concerning smaller-capitalization companies than for larger, more established companies. Small-capitalization companies also may be particularly sensitive to changes in interest rates, government regulation, borrowing costs and earnings.

Options Risk. Selling (writing) and buying options are speculative activities and entail greater than ordinary investment risks. The Fund's use of call and put options can lead to losses because of adverse movements in the price or value of the reference asset, which may be magnified by certain features of the options. When selling a put option, the Fund will receive a premium; however, this premium may not be enough to offset a loss incurred by the Fund if the price of the underlying asset is below the strike price by an amount equal to or greater than the premium. Purchasing of put or call options involves the payment of premiums, which may adversely affect the Fund's performance. Purchased put or call options may expire worthless resulting in the Fund's loss of the premium it paid for the option.

REIT Investment Risk. Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. REITs may be affected by changes in the value of their underlying properties or mortgages or by defaults by their borrowers or tenants. Furthermore, these entities depend upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. In addition, the performance of a REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

Tail Hedge Risk. The Fund may purchase put options designed to mitigate the Fund's exposure to significant declines in the broader U.S. equity market. However, there is a risk that the Fund will experience a loss as a result of engaging in such options transactions. Moreover, there can be no assurance that the tail hedge will be successful in protecting against all or any declines in the value of the Fund's portfolio because the amount of protection provided by the put options purchased by the Fund and the price of such protection will be dictated by prevailing market sentiment at the time the tail hedge is triggered. Additionally, the tail hedge will not protect against declines in the value of the Fund's portfolio where such declines are based on factors other than general stock market fluctuations.

Tax Risk. The Fund expects to generate premiums from its sale of options. These premiums typically will result in short-term capital gains for federal income tax purposes. In addition, equity securities that are hedged with put options may not be eligible for long-term capital gains tax treatment. The Fund is not designed for investors seeking a tax efficient investment.

Collared Options Strategy Risk. Writing and buying options are speculative activities and entail greater than ordinary investment risks. The Fund's use of call and put options can lead to losses because of adverse movements in the price or value of the underlying security, which may be magnified by certain features of the options. When selling a call option, the Fund will receive a premium; however, this premium may not be enough to offset a loss incurred by the Fund if the price of the underlying security is above the strike price by an amount equal to or greater than the premium. The value of an option may be adversely affected if the market for the option becomes less liquid or smaller, and will be affected by changes in the value or yield of the option's underlying security, an increase in interest rates, a change in the actual or perceived volatility of the stock market or the21 underlying security and the remaining time to expiration. Additionally, the value of an option does not increase or decrease at the same rate as the underlying security

The Fund's use of options may reduce the Fund's ability to profit from increases in the value of the underlying securities. If the price of the underlying security of a written call option rises above its strike price, the value of the option and, consequently, the Fund may decline significantly more than if the Fund invested solely in the underlying security instead of using options. Similarly, if the price of the underlying security of a purchased put option remains above its strike price, the option may become worthless, and, consequently the value of the Fund may decline significantly more than if the Fund invested solely in the underlying security instead of using options.

Non-Diversification Risk. The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance.

Fixed Income Securities Risk. The Fund invests indirectly in fixed income securities through investments in Underlying Bond ETFs, which involve certain risks, including:

- *Credit Risk.* Credit risk refers to the possibility that the issuer of a security will not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of an investment in that issuer. ◦ Event Risk. Event risk is the risk that corporate issuers may undergo restructurings, such as mergers, leveraged buyouts, takeovers, or similar events financed by increased debt. As a result of the added debt, the credit quality and market value of a company's bonds and/or other debt securities may decline significantly.

- *Extension Risk.* When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these securities to fall.

- *Interest Rate Risk.* Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Changes in government intervention may have adverse effects on investments, volatility, and illiquidity in debt markets.

- *Prepayment Risk.* When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and the proceeds may have to be invested in securities with lower yields.

Other Investment Companies Risk. The risks of investing in investment companies, such as the Underlying Bond ETFs, typically reflect the risks of the types of instruments in which the investment companies invest. By investing in another investment company, the Fund becomes a shareholder of that investment company and bears its proportionate share of the fees and expenses of the other investment company. The Fund may be subject to statutory limits with respect to the amount it can invest in other ETFs, which may adversely affect the Fund's ability to achieve its investment objective. Investments in ETFs are also subject to the "ETF Risks" described above.

Sector Risk. To the extent the Fund invests more heavily in particular sectors of the economy, its performance will be especially sensitive to developments that significantly affect those sectors.

IPO Risk. The Fund may invest in securities offered in an IPO or in companies that have recently completed an IPO. The market value of IPO shares can have significant volatility due to factors such as the absence of a prior public market, unseasoned trading, a small number of shares available for trading and limited information about the issuer. The purchase of IPO shares may involve high transaction costs, and the Fund may lose money on an investment in such securities.

Value-Style Investing Risk. The value investing style may over time go in and out of favor. At times when the value investing style is out of favor, the Fund may underperform other funds that use different investing styles.

Capital Controls and Sanctions Risk. Economic conditions, such as volatile currency exchange rates and interest rates, political events, military action and other conditions may, without prior warning, lead to foreign government intervention (including intervention by the U.S. government with respect to foreign governments, economic sectors, foreign companies and related23 securities and interests) and the imposition of capital controls and/or sanctions, which may also include retaliatory actions of one government against another government, such as seizure of assets. Capital controls and/or sanctions include the prohibition of, or restrictions on, the ability to transfer currency, securities or other assets. Capital controls and/or sanctions may also impact the ability of the Fund to buy, sell or otherwise transfer securities or currency, negatively impact the value and/or liquidity of such instruments, adversely affect the trading market and price for Shares, and cause the Fund to decline in value.

Currency Exchange Rate Risk. The Fund invests primarily in other ETFs that have exposure to securities denominated in non U.S. currencies or in securities that provide exposure to such currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the Fund's investment and the value of your Shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.

Emerging Markets Risk. Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to such securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. Such conditions may impact the ability of the Fund to buy, sell or otherwise transfer securities, adversely affect the trading market and price for Shares and cause the Fund to decline in value. Less information may be available about companies in emerging markets than in developed markets because such emerging markets companies may not be subject to accounting, auditing, and financial reporting standards or to other regulatory practices required by U.S. companies. Additionally, limitations on the availability of financial and business information about companies in emerging markets may affect the Index Provider's ability to accurately determine the companies that meet the Index's criteria.

Geographic Investment Risk. To the extent the Fund invests a significant portion of its assets in the securities of companies of a single country or region, it is more likely to be impacted by events or conditions affecting that country or region.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of ACA or the integrity of ACA's management. ACA has one disciplinary event to report.

Mr. Todd Misenheimer failed to update his Form U-4 in a timely manner to disclose unsatisfied tax liens. As a result, the Securities Division of the State of North Carolina censured Mr. Misenheimer, and required him to cease and desist from violating any provisions of the North Carolina Investment Advisers Act and pay a civil monetary penalty in the amount of $5,000.

Item 10 - Other Financial Industry Activities and Affiliations

As noted previously, ACA is the investment adviser to the Aptus Drawdown Managed Equity, Collared Income Opportunity, Defined Risk, Opus Small Cap Value, and International Drawdown Managed Equity ETFs. ACA earns a fee on Fund assets through its position as investment adviser to the Funds. Additionally, ACA is the investment adviser for a private label ETF, McElhenny Sheffield Managed Risk ETF ("MSMR"). ACA earns a portion of the fee on MSMR assets through its position as investment adviser to the Fund. ACA recommends the purchase of shares of the Funds to private advisory clients for whom the strategy is suitable. Therefore, in some instances, based on the amount of assets in the Funds and the client's non-Fund assets, a client may pay total fees in excess of the client's original portfolio management fee.

As noted previously, ACA provides model portfolios to other Registered Investment Advisers and Broker-Dealers. The Aptus Model Portfolio Service (The Impact Series) involves ACA creating, managing, and maintaining investment models and updating Subscribers as adjustments occur within the models. In addition, ACA includes Aptus ETFs as investments in The Impact Series. ACA receives fees for the Aptus ETFs included in The Impact Series.

ACA may have Investment Advisor Representatives that are also independently licensed insurance agents or Registered Representatives of Broker- Dealer firms. From time to time, they may offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. ACA always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of ACA in their capacity as insurance agent.

ACA may have Investment Advisor Representatives that offer accredited or qualified clients the opportunity to invest in private companies. The Investment Advisor Representative may be compensated by the private company for the referral of investors. This practice is not a part of ACA's overall business, and as a result is considered an Outside Business Activity of the Investment Advisor Representative. ACA does not receive any compensation for the referral of investors, and the Investment Advisor Representative is compensated directly by the private company. This may create a conflict of interest because the Investment Advisor Representative has a financial incentive to recommend that clients invest in the private company.

ACA does not receive payment from any other company for the referral of business.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

<u>Code of Ethics and Personal Trading</u>
ACA has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. ACA's Code has several goals. First, the Code is designed to assist ACA in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, ACA owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with ACA (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for ACA's associated persons. Under the Code's Professional Standards, ACA expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, ACA associated persons are not to take inappropriate advantage of their positions in relation to ACA clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, ACA's associated persons may invest in the same securities recommended to clients. Under its Code, ACA has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designedto discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

As outlined above, ACA has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, ACA's goal is to place client interests first.

Consistent with the foregoing, ACA maintains policies regarding participation in initial public offerings ("IPOs") and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If an ACA associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with ACA's written policy.

Item 12 - Brokerage Practices

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, ACA seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, ACA may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination) and may be used in servicing any or all of ACA's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

Research and Other Soft Dollars Benefits

In addition to execution services, Aptus also receives research and other products or services from broker-dealers referred to as "soft dollars benefits". Soft dollars are assets of Aptus' clients and are used to pay for research services utilized by ACA. ACA receives benefits but does not pay for these services. Soft dollar benefits include a variety of research, investment information, and resources provided by the broker-dealer directly or through third parties that are expected to enhance ACA's portfolio management capabilities.

ACA obtains soft dollar benefits through commission-sharing arrangements with selected broker- dealers. Under these arrangements, ACA arranges with executing broker-dealers to allocate a portion of total commissions paid to a pool of soft dollar credits maintained by the broker-dealer that can be used to obtain eligible soft dollar benefits made available by third-party service providers at the direction of ACA.

There are cases when ACA receives mixed-use services. These are non-research and research benefits from service providers. When this happens, ACA will make a good faith allocation between the non- research and research portion of the services received and will pay "hard dollars" (i.e. ACA will pay from their own monies) for the non-research portion.

As permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended and regulatory guidance from the SEC; in circumstances in which ACA has brokerage discretion and when execution is comparable, clients may pay a commission higher than that which another broker-dealer might have charged for effecting the same transaction in recognition of the value of research services provided by the broker-dealer. Any particular research service may not be used to service each client account and may not benefit the particular accounts that generated the brokerage commissions. Therefore, proportionate expense and benefit may not accumulate to a client.

Conflicts of interest arise by the use and allocation of soft dollar arrangements. Soft dollar benefits have the potential to cause an investment adviser to trade frequently to generate soft dollar commissions to pay for these products or services. In addition, the adviser has the incentive to select or recommend a broker-dealer based on interest in receiving research or other products or services, rather than on the client's interest in receiving most favorable execution. ACA has adopted policies and procedures concerning soft dollars, that address the use of client commissions and require that such use be consistent with Section 28(e), provide lawful and appropriate assistance in the investment decision- making process, and that the value of the research or brokerage service obtained be reasonable in relation to the commissions paid. The CCO approves all soft dollar arrangements and continuously monitors ACA's soft dollar practices and any third-party arrangements to ensure consistency with policies and disclosures amending Part 2A of Form ADV promptly in the event of any changes. In addition, the CCO or his designees will be responsible for maintaining the detailed records of all ACA's soft dollar arrangements and all executed soft dollar transactions.

ACA participates in the institutional advisor programs (the "Programs") offered by Fidelity, through National Financial Services, LLC, member FINRA/SIPC, TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), and Charles Schwab & Co., Inc. (Schwab), member SIPC, together, the "Custodians." The Programs are offered to independent advisers and includes such services as custody of securities, trade execution, clearance and settlement of transactions. ACA receives some benefits from the Custodians through its participation in the Programs. ACA is not affiliated with the Custodians.

ACA recommends the Custodians to clients for custody and brokerage services. While there is no direct link between ACA's participation in the Programs and the investment advice it gives to its clients, through its participation in the Programs ACA receives economic benefits that are typically not available to the Custodian's retail investors. These benefits generally include, without limitation, the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to trading desks serving the Programs' participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds and exchange traded funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to ACA by third party vendors. The Custodians may also pay for business consulting, professional services and/or software received or utilized by ACA and its related persons. These services are not soft dollar arrangements but are part of the institutional platform offered by the Custodians.

Some of the products and services made available by the Custodians through the Programs may benefit ACA but may not directly benefit its client accounts. These products or services may assist ACA in managing and administering client accounts, including accounts not maintained at the Custodians. Other services made available by the Custodians are intended to help ACA manage and further develop its business enterprise. The benefits received by ACA or its personnel through participation in the Programs do not depend on the amount of brokerage transactions directed to the Custodians. As part of its fiduciary duties to clients, ACA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by ACA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence ACA's choice of the Custodians for custody and brokerage services.

Directed Brokerage

In limited circumstances, Clients may direct ACA to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that ACA has with the Custodians is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers can in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing ACA to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with ACA that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of theclient's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

Aggregated Trade Policy

ACA may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This method permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It allows ACA to execute trades in a timely, equitable manner, and may reduce overall costs to clients.

ACA will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of ACA's

Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all ACA's transactions in a given security on a given business day. Transaction costs for participating accounts will be assessed at the custodian's commission rate applicable to each account; therefore, transaction costs may vary among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

If an aggregated order is filled in its entirety, it will be allocated among applicable clients. If the order is partially filled, it will generally be allocated on a pro-rata basis, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated differently if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of ACA. ACA's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and ACA will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

Item 13 - Review of Accounts

Managed portfolios for sub-advisory services or direct clients to whom ACA provides separate financial planning are reviewed and rebalanced using model portfolio technology to bring accounts in line with revised model allocations upon any revision. Models are generally reviewed quarterly, or as necessary or when strategy dictates if no such revision has been made. Additionally individual accounts are reviewed upon the request of an advisor or client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by ACA. These factors generally include but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. If at any time an individual's personal or financial circumstances should change, it may be material to your portfolio strategy and you should contact ACA as soon as possible. ACA's Members review all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. Additional reports are available at the request of the client.

Item 14 - Client Referrals and Other Compensation

As noted above, ACA receives an economic benefit from the Custodians in the form of support products and services it makes available to ACA name and other independent investment advisors whose clients maintain accounts at the Custodians. These products and services, how they benefit our firm, and the related conflicts of interest are described in (***Item 12 - Brokerage Practices***). The availability of the Custodians' products and services to ACA is based solely on our participation in the Programs, and not on the provision of any particular investment advice. Neither the Custodians nor any other party is paid to refer clients to ACA.

In addition, ACA receives compensation for its *Subscription Service* and services, as described under ***Item 4– Advisory Business***. ACA also pays to be a partner on *Subscription Service* platforms. These payments maybe paid as a periodic flat fee, or as a part of a revenue-sharing arrangement.

ACA has entered into a solicitor arrangement, whereby the Solicitor will refer certain clients desiring services offered by ACA. For this, ACA will pay a portion of the advisory fee earned from the client to the solicitor as payment for referral. The solicitor will deliver at the time of solicitation a current copy of ACA's Form ADV Part 2A and a written "disclosure statement" to the client. The solicitation/referral fee is paid pursuant to a written agreement retained by both the IAR and the Solicitor. The client's advisory fee will not be increased as a result of this arrangement.

ACA participates in the "Advisor Direct" Referral Program by TD Ameritrade. As part of this program, ACA agrees to pay TD Ameritrade a referral fee for all Referred Clients for the duration of the relationship with the referred client (not to exceed 25% of advisory fee collected by ACA). ACA does not charge the referral accounts more than its standard investment advisory fees. ACA's participation in the program does not reduce or eliminate our duty to obtain best execution when selecting brokers to execute securities transactions on behalf of Referral Clients. As part of this agreement ACA has agreed not to solicit these Referral Clients to transfer their brokerage or custody accounts from TD Ameritrade or establish brokerage or custody accounts at other custodians other than when our fiduciary duties to a Referral Account would require us to recommend other custodians or broker-dealers. This program may create a potential conflict of interest because TD Ameritrade will refer clients to investment advisors who will then custody assets at TD Ameritrade and place trades through TD Ameritrade. ACA through the program will receive referral clients that we otherwise would not have had, and ACA will then encourage those referral clients to hold assets in custody at TD Ameritrade and to place transactions for client accounts with TD Ameritrade. ACA and TD Ameritrade are independent entities and have no affiliation and are under no common control with each other.

ACA does not receive payment from any other company for the referral of business.

Item 15 - Custody

TD Ameritrade, Charles Schwab, and Fidelity, are the custodians of nearly all client accounts at ACA.From time to time however, clients may select an alternate broker to hold accounts in custody. ACA does not maintain physical possession of client funds or securities, however ACA is deemed to have limited custody due to the written authorization to deduct advisory fees from client accounts. In any case, it is the account custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify ACA of any questions or concerns. Clients are also asked to promptly notify ACA if the custodian fails to provide statements on each account held.

From time to time and in accordance with ACA's agreement with clients, ACA will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

Item 16 - Investment Discretion

As described above under ***Item 4 - Advisory Business***, ACA manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, ACA will execute that plan without specific consent from the client for each transaction. In some limited instances, the client will hold discretion over their account and execute trades on their own. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving ACA the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client, and the withdrawal of advisory fees directly from the account. ACA then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with ACA and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between ACA and the client.

Item 17 - Voting Client Securities

As a policy and in accordance with ACA's client agreement, ACA does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may have proxy materials forwarded to ACA by indicating so on the Investment Advisory Agreement. This is only as a convenience to the Client, as Clients cannot "opt out" of receiving proxy materials from the custodian, however **ACA will not vote them.** Clients may contact ACA with questions relating to proxy procedures and proposals; however, ACA generally does not research particular proxy proposals.

ACA does vote proxies on behalf of shareholders in the Aptus Funds. Proxy voting policies and procedures are found in the Aptus Compliance Manual and are available upon request.

Item 18 - Financial Information

ACA does not require nor solicit prepayment of more than $1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.